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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

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Division Director

Supervisor DR7

Inspection Report

Minerals Regulatory Program

Report Date: October 8, 2004

Mine Name: Deremo-Peterson

Operator or Permittee Name:

Umetco Minerals Corporation

Permittee Mailing Address:

2754 Compass Dr., Ste. 280, Grand Junction, CO
81506-8788

Inspector(s): Paul Baker

Other Participants: None

Permit Status: Reclaimed

Current Acreages:

Total Permitted (Bonded): 7

Total Disturbed: 7

Permit number: M/037/025

Inspection Date: October 5, 2004

Weather: Cloudy, 50's, recent rain

Inspection Start Time: 1:55 PM

Inspection End Time: 2:30 PM

Site location/Area Inspected (i.e. Pit #):

Waste pile

Surface Ownership: Fee

Mineral Ownership: Fee & SITLA

Mineral Mined: Uranium, Vanadium

Type of Mine: Underground

Elements of Inspection	Evaluated	N/A	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (open shafts, adits, trash, signs, highwalls)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Explosives, magazines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Demolition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Backfilling and Grading (trenches, pits, roads, highwalls, shafts, drill holes)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Water Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Inspection Date: October 5, 2004; Report Date: October 8, 2004

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Purpose of Inspection:

The operator had planned to reseed the waste pile, and I wanted to be there since this was about the fourth time the operator would be applying seed. I wanted to take a sample of the seed, look at the seed tag, and watch the seeding operation.

Inspection Summary:

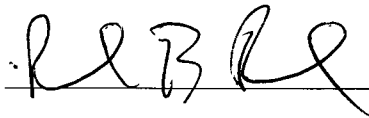
13. Revegetation

There had been a lot of rain, and the ground was muddy. The operator had planned to seed and fertilize those parts of the waste pile where revegetation has not been successful. The plan was to apply the seed and fertilizer then harrow the area. It was too muddy to use the harrow, so the operator plans to come back in a few days when the ground has dried a bit.

Portions of the waste pile had been harrowed (Photo 1), possibly to get the surface ready for seeding or to reduce the number of weeds. I have some concerns about the lack of surface roughness, but I think the slope is gentle enough that this seeding can work if there is adequate moisture.

I asked Frank Barnett to send me a copy of the label and a sample of the seed. I also asked him to photograph the seeding operation.

Inspector's Signature



Date: October 8, 2004

PBB:jb

Enclosures. photos. GPS map

cc: Rahe Junge. Operator

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ATTACHMENT

Photographs

M/037/025, Deremo-Peterson Mine, Umetco Minerals Corporation
Inspection Dated: October 5, 2004; Report Dated: October 8, 2004



Photo 1. The harrowed slope of the waste pile.



Photo 2. The top of the waste pile. The area in the foreground was not harrowed because it has desirable grasses, but some of the other areas were not harrowed because the equipment was getting stuck in the rain-softened ground.